

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REGISTRATION No. 100456125

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 APRIL 2022 TO 30 SEPTEMBER 2022

KHIN SU HTAY & ASSOCIATES LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
REGISTRATION No. 100456125

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 APRIL 2022 TO 30 SEPTEMBER 2022

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STATEMENT BY DIRECTORS
OF
AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE PERIOD FROM 01 APRIL 2022 TO 30 SEPTEMBER 2022

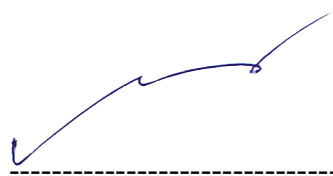
The Group's directors are responsible for the preparation and fair presentation of the consolidated financial statements, comprising the consolidated statement of financial position as at 30 September 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the statement of cash flows for the period from 01 April 2022 to 30 September 2022, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and the provisions of Myanmar Companies Law 2017 ("the Law") and for such internal controls as the directors determine are necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Under the Myanmar Companies Law 2017 ("the Law"), the directors are required to prepare the consolidated financial statements for the period from 01 April 2022 to 30 September 2022 that give a true and fair view of the state of affairs of the Group as at 30 September 2022 and of the operating results of the Group for that period. It also requires the directors to ensure the Group keeps proper accounting records according to Section 258 and 261 of Myanmar Companies Law 2017 ("the Law") that disclose with reasonable accuracy of the consolidated financial position of the Group. The directors are also responsible for safeguarding the assets of the Group and to prevent and detect fraud and other irregularities.

The directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the Group will not be a going concern for the next twelve months from the date of this Statement.

The Board of Directors has, on the date of this Statement, authorised these financial statements for issue.

On behalf of the Board of Directors,





U Win Aung
Managing Director
Amata Holding Public Company Limited
Date: 31-01-2023

Daw Nay Myat Thu Aung
Director
Amata Holding Public Company Limited
Date: 31-01-2023



KHIN SU HTAY & ASSOCIATES LIMITED

Certified Public Accountants
(Company Registration Number: 100124548)

C-1 / 005, Ground Floor, Hninnsi Street, Yuzana Highway Complex,
Narnat Taw Road, Kamayut Township, Yangon, Myanmar

Email: thantint@kshal.com

Tel: (95-09) 422953862, 422953863

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS

OF

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE PERIOD FROM 01 APRIL 2022 TO 30 SEPTEMBER 2022

Qualified Opinion

We have audited the consolidated financial statements of **Amata Holding Public Company Limited (“the Company”) and its Subsidiaries (“the Group”)**, which comprise the consolidated statement of financial position of the Group as at 30 September 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the period from 01 April 2022 to 30 September 2022 and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of adjustments if any, arising from the matters described in Basis for qualified opinion, the consolidated financial statements of the Group are properly drawn up in accordance with International Financial Reporting Standards (IFRS) and the provisions of Myanmar Companies Law 2017 (“the Law”), so as to give a true and fair view of the state of affairs of the Group as at 30 September 2022 and of the results, changes in equity and cash flows of the Group for the period from 01 April 2022 to 30 September 2022.

Basis for Qualified Opinion

Based on our audit, we noted as below in one of the subsidiaries of Amata Holding Public Company Limited, United International Group Limited:

Permission for land use (Form-15) of “My Hpa-an Residence” was granted by Central Committee for the Management of Vacant, Fallow and Virgin Lands dated 19 March 2020, is under the name of Awinka Holding Company Limited (U Win Aung).

Land lease agreement for “Amata Resort and Spa (Andaman)” was made between the Republic of the Union of Myanmar, Taninthayi Region Government (Lessor) and Amata International Company Limited (Lessee) on 28 March 2016.

It has been expressly stated in the land used agreements of My Hpa-an Residence and Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others person or organization.

The management of the Group intention for the land is to be sub-leased to United International Group Limited from Awinka Holding Company Limited and Amata International Company Limited respectively. So, the Company is in process for applying the sub-leasing approval from the respective Government Authority (i.e., Central Committee for the Management of Vacant, Fallow and Virgin Lands and Republic of the Union of Myanmar, Taninthayi Region Government).

The approval of sub-leasing from the respective Government Authority has not yet received at the time of this report.



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As a result of above condition, we report in the notes to the consolidated financial statements as follows:

Notes no. 4: Property, Plant & Equipment

My Hpa-an Residence and Amata Resort and Spa (Andaman) hotels constructed on the lands stated above, having carrying value MMK 1,407,300,063 and MMK 4,070,818,117 were recorded under property, plant and equipment and depreciation of hotels increased by MMK 46,735,954 for the period 01 April 2022 to 30 September 2022 and MMK 83,460,415 for the period from 01 October 2021 to 31 March 2022 respectively. As result of not providing the land lease contracts, control and right to use of hotels constructed on these lands could not be verified.

Notes no. 6: Right-of-use Assets

As included of the right-of-use assets MMK 616,943,271 in the consolidated statement of financial position, depreciation increased by MMK 11,738,573 for the period from 01 April 2022 to 30 September 2022 and MMK 20,275,928 for the period from 01 October 2021 to 31 March 2022 respectively. Land lease agreement contracts with United International Group Limited for “My Hpa-an Residence” and “Amata Resort and Spa (Andaman)” were not available to review the right to direct use of these lands/approval for sub-leasing of land use, permission of construction, rights and obligation of the Company, lease period, annual rental fees, etc. during the course of audit.

Notes no. 22: Finance Lease Obligation

As included of the finance lease obligation MMK 645,912,154 in the consolidated statement of financial position, interest expenses increased by MMK 41,984,869 for the period from 01 April 2022 to 30 September 2022 and MMK 167,980,525 for the period from 01 October 2021 to 31 March 2022 and respectively. Land lease agreement contracts with United International Group Limited for “My Hpa-an Residence” and “Amata Resort and Spa (Andaman)” were not available to review the right to direct use of these lands/approval for sub-leasing of land use, permission of construction, rights and obligation of the Company, lease period, annual rental fees, etc. during the course of audit.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the provisions of Myanmar Companies Law 2017 (“the Law”) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit
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evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Further to our opinion, we report as follows:

- (a) The proper books of account have been kept by the Group in accordance with the provisions of the Section 258 of the Law.
- (b) In accordance with the provisions of Section 280 (b) (i) and (ii) of the Law:
 - we have obtained all the information and explanations we have required; and
 - the financial statements are drawn up in conformity with the provisions of the Law.



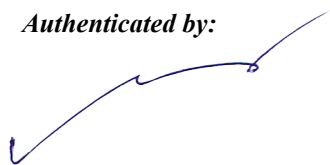
U Than Tint
CPA (PA-103)
Managing Director
Khin Su Htay & Associates Limited
Certified Public Accountants

Yangon,
Date: 31 January 2023

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

		30-Sep-22 MMK	31-Mar-22 MMK
Assets			
Non-current assets			
Property, plant and equipment	4	51,512,499,706	52,321,128,228
Intangible assets	5	44,267,129	66,708,238
Right-of- use assets	6	1,246,319,002	1,263,994,277
		52,803,085,837	53,651,830,743
Current assets			
Inventories	7	128,626,864	157,051,838
Accounts receivable	8	66,330,060	100,804,231
Prepayments and advance	9	56,171,329	121,444,536
Advance tax	10	31,738,193	28,575,503
Cash and cash equivalents	11	54,097,945	93,921,849
		336,964,391	501,797,957
Total assets		53,140,050,228	54,153,628,700
Equity and liabilities			
Share capital	12	3,487,990,000	3,487,990,000
Retained earnings		14,835,555,650	20,118,413,888
Non controlling interest		995,647,332	975,146,769
		19,319,192,982	24,581,550,657
Current liabilities			
Accounts payable	13	5,141,353,320	4,469,185,748
Tax payable	14	141,561,804	200,007,265
Accrued expenses	15	846,864,487	785,197,726
Deposit received	16	599,430,153	585,400,841
Other liabilities	17	727,941,237	712,424,583
Amount due to related parties	18	2,544,501,977	2,424,286,977
Dividend payable	19	-	-
Long-term borrowings	20	7,196,700,000	4,725,035,000
Finance lease obligation	21	22,527,971	99,082,732
		17,220,880,949	14,000,620,872
Non - current liabilities			
Long-term borrowings	20	15,273,300,000	14,299,565,000
Finance lease obligation	21	1,326,676,297	1,271,892,171
		16,599,976,297	15,571,457,171
Total equity and liabilities		53,140,050,228	54,153,628,700

Authenticated by:



U Win Aung
 Managing Director
 Amata Holding Public Company Limited
 Date : 31-01-2023




Daw Nay Myat Thu Aung
 Director
 Amata Holding Public Company Limited
 Date : 31-01-2023

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 01 APRIL 2022 TO 30 SEPTEMBER 2022

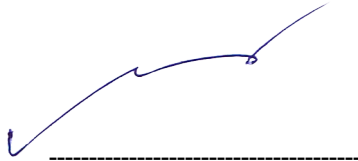
	Notes	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Revenue			
Room / ballooning	22	803,656,064	1,187,137,161
Food and beverage	23	338,426,975	468,160,369
Guest laundry and spa	24	18,060,939	32,916,409
Other operating	25	62,863,033	89,842,929
		1,223,007,011	1,778,056,868
Cost of sales			
Room / ballooning	26	190,670,874	267,289,749
Food and beverage	27	244,828,788	287,942,402
Guest laundry and spa	28	6,387,442	10,367,040
Other operating	29	5,348,609	2,849,921
		447,235,713	568,449,112
Gross profit		775,771,298	1,209,607,756
Add : Other Income	30	27,614,054	1,154,956
Less : Other expenses			
Sales and marketing	31	33,017,568	19,228,500
Administration and general	32	430,892,881	434,196,433
Property operating and maintenance	33	142,577,596	102,752,785
Utility cost	34	167,947,419	144,370,274
Property tax		2,006,000	6,018,000
Lease rental		5,200,000	5,400,000
Exchange rate differential	35	4,478,596,174	(1,936,369,068)
		5,260,237,638	(1,224,403,076)
EBITDA		(4,456,852,286)	2,435,165,788
Depreciation	4, 6	909,890,884	951,293,472
Amortization	5	22,441,109	26,278,899
EBIT		(5,389,184,279)	1,457,593,417
Interest expense	36	874,903,039	1,009,219,558
(Loss)/profit before tax		(6,264,087,318)	448,373,859
Income tax expenses	37	-	181,428,236
Commercial tax over provision		-	8,128,959
Gain on disposal		1,199,030	12,999,000
Capital gain tax		-	(1,429,890)
(loss)/profit for the period		(6,262,888,288)	649,500,164
Other comprehensive income		-	-
Total comprehensive income for the period		(6,262,888,288)	649,500,164

The annexed accounting policies and explanatory notes form an integral part of the financial statements

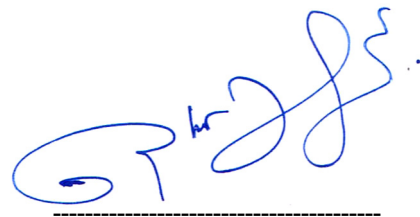
AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 01 APRIL 2022 TO 30 SEPTEMBER 2022

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Profit/(Loss) Attributable to :		
Equity holder of the Company	(6,283,386,850)	645,735,863
Non-controlling interest	20,498,562	3,764,301
	(6,262,888,288)	649,500,164
Total Comprehensive Income Attributable to :		
Equity holder of the Company	(6,283,386,850)	645,735,863
Non-controlling interest	20,498,562	3,764,301
	(6,262,888,288)	649,500,164
Negative earning per share (loss per share) / earning per share Basic (MMK)	(599)	62

Authenticated by:



U Win Aung
 Managing Director
 Amata Holding Public Company Limited
 Date : 31-01-2023

Daw Nay Myat Thu Aung
 Director
 Amata Holding Public Company Limited
 Date : 31-01-2023

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 01 APRIL 2022 TO 30 SEPTEMBER 2022

	SHARE CAPITAL MMK	RETAINED EARNINGS MMK	TOTAL MMK	NCI MMK	TOTAL EQUITY MMK
As at 01 October 2021	3,487,990,000	19,052,382,310	22,540,372,310	538,231,518	23,078,603,828
Profit for the period	-	645,735,863	645,735,863	3,764,301	649,500,164
Dividend (<i>see notes 20</i>)	-	520,026,150	520,026,150	428,616,247	948,642,397
Prior year adjustments	-	(99,730,435)	(99,730,435)	4,534,703	(95,195,732)
As at 31 March 2022	3,487,990,000	20,118,413,888	23,606,403,888	975,146,769	24,581,550,657
As at 01 April 2022	3,487,990,000	20,118,413,888	23,606,403,888	975,146,769	24,581,550,657
Loss for the period	-	(6,283,386,850)	(6,283,386,850)	20,498,562	(6,262,888,288)
Prior year adjustments	-	1,000,528,612	1,000,528,612	2,001	1,000,530,613
As at 30 September 2022	3,487,990,000	14,835,555,650	18,323,545,650	995,647,332	19,319,192,982

The annexed accounting policies and explanatory notes form an integral part of the financial statements

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 01 APRIL 2022 TO 30 SEPTEMBER 2022

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Cash flows from operating activities		
(Loss)/profit before taxation	(6,264,087,318)	448,373,859
Adjustments for:		
Depreciation	909,890,884	951,293,472
Adjustment of property, plant and equipment	1,500,000	-
Amortization	22,441,109	26,278,899
Interest income	(523,483)	(914,132)
Interest expense	874,903,039	1,009,219,558
Exchange rate differential	4,316,055,421	(1,879,199,610)
Operating cash flows before working capital changes	(139,820,348)	555,052,046
Changes in working capital:		
Inventory	28,424,974	(26,433,417)
Trade and other receivables	62,072,288	145,898,538
Amount due from related parties	-	2,256,530,153
Trade and other payables	79,779,696	(173,067,158)
Amount due to related parties	248,930,328	2,357,734,814
Cash generated from operations	279,386,938	5,115,714,976
Interest paid	-	(4,800,000)
Net cash provided by operating activities	A 279,386,938	5,110,914,976
Cash flows from investing activities		
Purchase of property, plant and equipment	(38,821,889)	(4,711,470,224)
Purchase of intangible assets	-	(17,669,925)
Proceeds from sale of property, plant and equipment	1,200,000	13,000,000
Interest received	523,483	914,132
Net cash used in investing activities	B (37,098,406)	(4,715,226,017)
Cash flows from financing activities		
Finance lease obligation	(282,112,436)	(252,262,142)
Net cash used in financing activities	C (282,112,436)	(252,262,142)
Net (decrease)/ increase in cash and cash equivalents	A+B+C (39,823,904)	143,426,817
Cash and cash equivalents at the beginning of the period	93,921,849	(49,504,968)
Cash and cash equivalents at the end of the period	54,097,945	93,921,849

The annexed accounting policies and explanatory notes form an integral part of the financial statements

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REGISTRATION No. 100456125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 APRIL 2022 TO 30 SEPTEMBER 2022

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1. General Information

Amata Holding Public Company Limited is domiciled and incorporated in the Republic of the Union of Myanmar with its registered office at No.10, Inya Yeik Thar Street, Mayangone Township Yangon, Myanmar under Company Registration No. 100456125 (former Registration No.1563/2017-2018) dated 27 June 2017.

The Company is listed in the Yangon Stock Exchange Joint Venture Company Limited on 03 June 2021.

The principal activities of the Company are Hospitality, Restaurants and Ballooning Services.

The Company acquired 99.99% share of United International Group Limited (UIG) and 51% share of Myanmar Ballooning Company Limited (MB) on 01 August 2018.

Incorporated in 1993, United International Group Limited mainly involves in resorts and restaurant management under UIG (Amata Brand) which operates value segments of the hospitality market through the following;

- (i) Amata Resort and Spa – Ngapali
- (ii) Amata Garden Resort - Inle
- (iii) Amata Garden Resort – Bagan
- (iv) My Bagan Residence by Amata
- (v) My Hpa-an Residence by Amata
- (vi) Amata Resort and Spa (Andaman)

Incorporated in 2013, Myanmar Ballooning Company Limited mainly operates in hot air ballooning and operates under Oriental Ballooning brand. Oriental Ballooning brand flights over the Bagan, the city of Mandalay, stunning Inle Lake and Ngapali Beach in Myanmar (Burma).

2. Basis of Preparation of the Financial Statements

(a) Statement of Compliance

The consolidated financial statements are prepared in compliance with International Financial Reporting Standards (“IFRS”) and the provision of Myanmar Companies Law 2017 (“the Law”).

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis.

(c) Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no accounting estimates and judgement made by the management that has significant effect on the consolidated financial statements.

(d) Basis of Consolidation

(a) Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and recognized gains on transactions between group entities are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non- controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this the results in the non-controlling interests having a deficit balance.

(b) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50 %. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

(c) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognized in profit or loss and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. These post- acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognize further losses, unless it has obligations to make or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(d) Investment in associate

Investment in associated is initially recognized at the transaction price (including transaction costs) under the equity method of accounting and carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from and investee reduces the carrying amount of the investment.

(e) COVID-19 Impact

Due to the outbreak of a novel strain of coronavirus (COVID-19) in early 2020 and the recent changes of unexpected situations, the Tourism Sector has faced the toughest challenges and it has led to a significant decline in demand for hospitality products and services.

Impact of the decrease in the rate of spread locally, the authority has released some restrictions from time to time, depending on the infection cases within the countries and/or cities, we were able to re-open some hotels in accordance with the Covid-19 prevention guidelines. However, the group could not achieve the expected revenue and profit.

With an aim to protect the interest of the shareholders and to minimize the impact of the economic downturn on the sustainability of our Business, the group has in the short term adopted a cost savings plan in which utilities costs and operations costs are kept at a minimum for optimum operational efficiency.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

(a) Foreign Currency Translation

The Company maintains its accounting records in Myanmar Kyats. The financial statements are presented in Myanmar Kyats (MMK), which is functional and presentation currency of the Company.

Transactions in foreign currencies other than MMK are translated to the functional currency at the monthly group exchange rate.

All monetary assets and liabilities denominated in foreign currencies other than Myanmar Kyats outstanding at the reporting date are translated to the functional currency at the exchange rate of MMK 2,100.00 per US\$ 1.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognised in the statement of profit or loss and other comprehensive income.

(b) Cash and Cash Equivalents

Cash and cash equivalents in the statements of financial position comprise cash in hand and cash at bank balances.

(c) Trade and Other Accounts Receivables

Trade and other accounts receivables are stated at the invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment historical and future expectations of customer payments. Bad debts are written off when incurred.

(d) Inventory

Inventory is measured at the lower of cost and net realised value.

Cost is calculated using the first in first out principle, and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realised value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(e) Property, Plant and Equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses expect for building that are presented at revalued value.

Costs include expenditure that is directly attributable to the acquisition of the assets. The cost of self-constructed assets include the cost of materials and direct labour, any other cost directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs, purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for us separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net in profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognized in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognized in profit or loss in respect of the same asset. A decrease in value is recognized in profit or loss to the extent it exceeds an increase previously recognized in other comprehensive income for the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost.

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Depreciation is charged to profit or loss on a straight – line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

	Useful Lives
-Building	60, 58, 56, 49,20 years
-Balloon (15 units)	7 years
-Plant and machinery	5 years
-Furniture and fixtures	5 years
-Office equipment	3 years
-Vehicle	5 years
-Operating equipment	3 years

Depreciation method, useful lives and residual values are reviewed at each financial year- end and adjusted if appropriate. Useful life of building depends on the land lease agreement.

(f) Intangible Assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight –line basis from the date the asset is available for use and over its estimated useful lives of 3 years.

(g) Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

(h) Leases

An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

Finance lease: A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Operating lease: A lease other than a finance lease.

As a lessee

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an operating expense in profit or loss on a straight-line basis over the lease term.

(i) Trade and Other Payables

Trade and other accounts payable are stated at cost.

(j) Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(k) Revenue

Revenue excludes commercial taxes and is arrived at after deduction of trade discounts.

Revenue from hotel operations

Hotel revenue from room, food and beverage and other services are recognised when the rooms are occupied, food and beverage are sold and the services are rendered.

Revenue from Ballooning operations

Rental and related services income are recognized in profit or loss as the services are provided.

(l) Lease Payments

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognized using the Company's incremental borrowing rate.

(m) Income Tax

Income tax expense for the year comprises current and deferred tax. Current and deferred taxes are recognized in the statement of income except to the extent that they relate to a business combination, or items recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis on their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or the Group of financial assets is impaired. A financial asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (“a loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial assets or the Group of financial assets that can be reliably estimated.

(o) Related Parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of individuals	Nature of relationship
United International Group Limited	Subsidiary
Myanmar Ballooning Company Limited	Subsidiary

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Amata International Company Limited	Related of Subsidiary
Awinka Holding Company Limited	Related of Subsidiary
U Win Aung	Managing Director
U Khin Zaw	Director of Subsidiary

The pricing policies for particular types of transactions are explained future below:

Transaction	Pricing policies
Land lease	Contractually agreed prices

Significant transactions for the period from 01 April 2022 to 30 September 2022 with related parties were as follows;

	30-Sep-22	31-Mar-22
	MMK	MMK
Payable to related party	2,544,501,977	2,424,286,977

Significant agreement with related party

The Group entered into lease agreements with a related party to lease land for the following terms:

Land Lease – Amata Resort & Spa- Ngapali	15 years
Land Lease – Amata Garden Resort – Bagan	15 years
Land Lease – My Bagan Residence by Amata	15 years
Land Lease – Amata Garden Resort Inle Lake	50 years

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4. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Details are shown as below:

												MMK
	Building	Office Equipment	Plant & Machinery	Furniture & Fixture	Data Processing Equipment	Motor Vehicles	Balloon (15 units)	Boat & Bicycle	Others	Operation Equipment	Construction in Progress	Total
<i>Costs</i>												
At 01 Apr 2022	55,763,384,232	349,942,385	1,395,028,844	2,083,102,970	296,196,947	744,877,983	2,329,570,423	233,923,654	129,545,366	1,198,739,243	21,756,312	64,546,068,359
Additions	2,500,000	330,000	5,684,000	-	89,075,650	-	-	357,330	-	-	10,774,389	108,721,369
Disposal	-	-	(565,000)	-	-	-	-	-	-	-	-	(565,000)
Transfer to hotel	-	(9,988,329)	(1,156,448)	-	-	-	-	5,000,000	-	(8,345,932)	(5,000,000)	(19,490,709)
Transfer to MD	-	-	-	-	-	-	-	-	-	-	(16,922,302)	(16,922,302)
Adjustment	-	-	-	-	-	-	-	-	-	-	(1,500,000)	(1,500,000)
At 30 Sep 2022	55,765,884,232	340,284,056	1,398,991,396	2,083,102,970	385,272,597	744,877,983	2,329,570,423	239,280,984	129,545,366	1,190,393,311	9,108,399	64,616,311,717
<i>Accumulated Dep:</i>												
At 01 Apr 2022	4,938,082,832	310,470,901	1,114,090,971	1,702,452,098	288,825,875	660,414,643	1,845,665,784	132,220,861	109,734,722	1,122,981,444	-	12,224,940,131
Additions	506,305,727	9,430,535	78,794,602	138,027,649	3,760,041	27,014,995	84,846,529	21,013,751	3,304,135	26,428,655	-	898,926,619
Disposal	-	-	(564,030)	-	-	-	-	-	-	-	-	(564,030)
Transfer to hotel	-	(9,988,329)	(1,156,448)	-	-	-	-	-	-	(8,345,932)	-	(19,490,709)
At 30 Sep 2022	5,444,388,559	309,913,107	1,191,165,095	1,840,479,747	292,585,916	687,429,638	1,930,512,313	153,234,612	113,038,857	1,141,064,167	-	13,103,812,011
<i>Net Book Value</i>												
At 30 Sep 2022	50,321,495,673	30,370,949	207,826,301	242,623,223	92,686,681	57,448,345	399,058,110	86,046,372	16,506,509	49,329,144	9,108,399	51,512,499,706
At 01 Apr 2022	50,825,301,400	39,471,484	280,937,873	380,650,872	7,371,072	84,463,340	483,904,639	101,702,793	19,810,644	75,757,799	21,756,312	52,321,128,228

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Under United International Group Limited

“My Hpa-an Residence” is situated on the land plot at Survey No.5/54, O.SS.66 Tanmalauk-Gwin, Tawpon Village, Hpa-an Township, Hpa-an District, Kayin State and Permission for land use (Form-15) granted by Central Committee for the Management of Vacant, Fallow and Virgin Lands dated 19 March 2020, is under the name of Awinka Holding Company Limited (U Win Aung).

“Amata Resort and Spa (Andaman)” is situated on “Poni” island Myeik (Mergui) Archipelago area which is the 50 years (extendable 2 times for 10 years each) land lease agreement (dated 28 March 2016) between the Republic of the Union of Myanmar, Taninthayi Region Government (Lessor) and Amata International Company Limited (Lessee).

It has been expressly stated in the land used agreements of My Hpa-an Residence and Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others person or organization.

The Company’s management intention for the land is to be sub-leased to United International Group Limited from Awinka Holding Company Limited and Amata International Company Limited respectively. So, the Company is in process for applying the sub-leasing approval from the respective Government Authority (i.e., Central Committee for the Management of Vacant, Fallow and Virgin Lands and Republic of the Union of Myanmar, Taninthayi Region Government).

My Hpa-an Residence (operated in October 2019) and Amata Resort and Spa-Andaman (operated in November 2021) hotels are in operation and Building Cost for these hotels **MMK 1,474,338,465 and MMK 4,133,976,085 were recorded under property, plant and equipment without approval for sub-leasing of land use under the name of United International Group Limited** and the approval of sub-leasing from the respective Government Authority has not yet received at the time of this report.

As a result of this, the depreciation of hotels increased by MMK 46,735,954 for the period from 01 April 2022 to 30 September 2022 and MMK 83,460,415 for the period from 01 October 2021 to 31 March 2022 respectively. (Note 6 and 22).

5. Intangible Assets

Intangible assets are stated at cost less accumulated amortisation. Details are shown as below:

	30-Sep-22
	MMK
<i>Cost</i>	
At 01 April 2022	376,930,749
Addition	-
At 30 September 2022	<u>376,930,749</u>
<i>Accumulated Amortization</i>	
At 01 April 2022	310,222,511
Addition	22,441,109
At 30 September 2022	<u>332,663,620</u>
<i>Net Book Value</i>	
At 30 September 2022	<u>44,267,129</u>
At 01 April 2022	<u>66,708,238</u>

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6. Right-of-use Assets

Details are shown as below:

	30-Sep-22
	MMK
<i>Cost</i>	
At 01 April 2022	1,331,412,060
Adjustment	11,011
At 30 September 2022	<u>1,331,423,071</u>
<i>Accumulated Depreciation</i>	
At 01 April 2022	67,417,783
Adjustment	6,722,021
Addition	10,964,265
At 30 September 2022	<u>85,104,069</u>
<i>Net Book Value</i>	
At 30 September 2022	<u>1,246,319,002</u>
At 01 April 2022	<u>1,263,994,277</u>

The useful life of right-of-use assets and building was not agreed with lease contract. Details are shown as below:

	Lease period as per contract	Useful life
Land Lease – Amata Resort & Spa- Ngapali	15 years	58 Years
Land Lease – Amata Garden Resort – Bagan	15 years	60 Years
Land Lease – My Bagan Residence by Amata	15 years	49 Years
Land Lease – Amata Garden Resort Inle Lake	50 years	56 Years
Land Lease - My Hpa-an Residence by Amata	Not contracted	59 Years & 6 Months
Land Lease – Amata Resort and Spa - Andaman	Not contracted	70 Years

Under United International Group Limited

“My Hpa-an Residence” is situated on the land plot at Survey No.5/54, O.SS.66 Tanmalauk-Gwin, Tawpon Village, Hpa-an Township, Hpa-an District, Kayin State and Permission for land use (Form-15) granted by Central Committee for the Management of Vacant, Fallow and Virgin Lands dated 19 March 2020, is under the name of Awinka Holding Company Limited (U Win Aung).

“Amata Resort and Spa (Andaman)” is situated on “Poni” island Myeik (Mergui) Archipelago area which is the 50 years (extendable 2 times for 10 years each) land lease agreement (dated 28 March 2016) between the Republic of the Union of Myanmar, Taninthayi Region Government (Lessor) and Amata International Company Limited (Lessee).

It has been expressly stated in the land used agreements of My Hpa-an Residence and Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others person or organization.

The Company’s management intention for the land is to be sub-leased to United International Group Limited from Awinka Holding Company Limited and Amata International Company Limited respectively. So, the Company is in process for applying the sub-leasing approval from the respective Government Authority (i.e., Central Committee for the Management of

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Vacant, Fallow and Virgin Lands and Republic of the Union of Myanmar, Taninthayi Region Government). The approval of sub-leasing from the respective Government Authority has not yet received at the time of this report.

During the previous accounting period ended 31 March 2022, My Hpa-an Residence and Amata Resort and Spa (Andaman) hotels are in operation, and right-of-use assets for these hotels **MMK 184,531,232 and MMK 464,415,528 were recorded under right-of-use assets respectively.** However, **the Company have no land lease contracts with Awinka Holding Company Limited and Amata International Company Limited** for land lease to review approval for sub-leasing of land use, permission of construction, rights and obligation of the Company, lease period, annual rental fees, etc. during the course of audit.

As a result of this, the depreciation of hotels increased by MMK 11,738,573 for the period from 01 April 2022 to 30 September 2022 and MMK 20,275,928 for the period from 01 October 2021 to 31 March 2022 respectively. (Notes 4 and 22).

7. Inventories

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Food	4,945,239	10,326,725
Beverage	15,902,583	17,668,872
Cleaning supplies	1,098,145	1,493,505
Guest supplies	5,592,447	6,652,172
Massage oil	503,720	503,720
Souvenir stock	10,940,818	12,209,368
Printing supplies	7,633,964	7,950,458
Engineering supplies	39,101,928	39,683,136
Diesel	9,980,644	29,367,668
Gas	9,860,000	9,756,400
H.K guest supplies	5,537,087	6,039,099
Chemical	4,483,547	2,353,973
Stationery	136,202	136,202
Head office – store	12,417,890	12,417,890
Staff uniform	492,650	492,650
	<u>128,626,864</u>	<u>157,051,838</u>

8. Accounts Receivable

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Guest ledger	1,180,600	7,687,699
City ledger	65,149,460	93,116,532
	<u>66,330,060</u>	<u>100,804,231</u>

Out of total AR-city ledger stated above, MMK 53,719,560 which were long overdue (outstanding over 120 days) balances of United International Group Limited.

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Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Prepayment – Insurance	15,071,714	8,130,101
– Others	2,333,372	2,816,288
Deposit paid	38,236,243	101,349,304
Advance others	530,000	5,580,250
Pre-opening expenses	-	3,568,593
	<u>56,171,329</u>	<u>121,444,536</u>

10. Advance Tax

It comprises the followings:

	30-Sep-22	31-Mar-22
	MMK	MMK
Corporate income tax	9,837,300	9,837,300
Commercial tax	21,900,893	18,738,203
	<u>31,738,193</u>	<u>28,575,503</u>

(i) Corporate Income Tax

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Opening balance	9,837,300	9,837,300
Cash paid during the period	-	-
Closing balance as at	<u>9,837,300</u>	<u>9,837,300</u>

(ii) Commercial Tax

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Opening balance	18,738,203	191,144,432
Advance payment during the period	3,162,690	807,644
Commercial tax payable	-	(195,030,648)
Adjustment	-	21,816,775
Closing balance as at	<u>21,900,893</u>	<u>18,738,203</u>

11. Cash and Cash Equivalents

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Cash in hand	32,834,438	27,002,021
Cash at bank	21,263,507	66,919,828
	<u>54,097,945</u>	<u>93,921,849</u>

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12. Share Capital

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
<i>Issued, Subscribed and Fully paid-up Capital</i>		
10,000,000 shares of Ks 100 each	1,000,000,000	1,000,000,000
497,598 shares of Ks 5,000 each	2,487,990,000	2,487,990,000
	<u>3,487,990,000</u>	<u>3,487,990,000</u>

13. Accounts Payable

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Trade payable	363,219,131	231,772,408
Other	76,153,651	84,194,703
Interest payable	4,701,980,538	4,153,218,637
	<u>5,141,353,320</u>	<u>4,469,185,748</u>

Out of total trade payable stated above, MMK 22,700,211 which were long outstanding balances of United International Group Limited.

14. Tax Payable

It comprises the followings:

	30-Sep-22	31-Mar-22
	MMK	MMK
Corporate income tax	-	-
Capital gain tax	1,529,890	4,359,690
Commercial tax	140,031,914	195,647,575
	<u>141,561,804</u>	<u>200,007,265</u>

(i) Corporate Income Tax

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Opening balance	-	181,428,236
Over provision	-	(181,428,236)
Closing balance as at	<u>-</u>	<u>-</u>

(ii) Capital Gain Tax

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Opening balance	4,359,690	2,929,800
Provision for the period	-	1,429,890
Tax paid during the period	(2,929,800)	-
Penalty	100,000	-
Closing balance as at	<u>1,529,890</u>	<u>4,359,690</u>

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Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Opening balance	195,647,575	416,313,537
Provision for the period	36,690,210	53,341,704
Under / (over) provision	68,163	(8,128,959)
Tax paid during the period	(92,374,034)	(208,380,502)
Exchange rate differential	-	(57,498,205)
Closing balance as at	<u>140,031,914</u>	<u>195,647,575</u>

15. Accrued Expenses

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Social security	3,561,828	1,661,639
Electricity	8,395,520	51,451,060
Telephone and internet	2,324,403	6,544,551
Diesel	14,675,000	8,180,000
Others	134,228,570	113,587,822
Employee income tax	8,220,157	8,446,323
Audit fee	70,101,500	41,276,270
DCA flight movement charges	11,629,800	11,629,800
Royalty fees	364,142,440	331,372,500
NCDC	36,450,000	36,450,000
Advisory fees	173,135,269	164,597,761
CSR Expenses	20,000,000	10,000,000
	<u>846,864,487</u>	<u>785,197,726</u>

16. Deposit Received

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Deposit received – Guest	433,805,095	366,720,470
– Others	40,860,210	104,760,618
– Agents (float)	124,764,848	113,919,753
	<u>599,430,153</u>	<u>585,400,841</u>

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Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Commission	3,115,719	3,478,562
Service money	244,275,884	228,396,387
Short-term loan (i)	480,000,000	480,000,000
Staff fund	549,634	549,634
	<u>727,941,237</u>	<u>712,424,583</u>

(i) Short-term loan

On 29 July 2020, its subsidiary – United International Group Limited borrowed a Covid – 19 Loan from Government for principal amount of MMK 480,000,000 with interest rate 1% and is repayable on 28 July 2021. According to Notification no.2/2021 of UMFCCI dated 11 September 2021, the Covid-19 Loan is repayable on 28 July 2022. However, it is repayable on 28 July 2023 according to Notification no. 3/2022 of UMFCCI dated 04 November 2022.

18. Amount Due to Related Parties

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Amata International Co., Ltd.	65,629,413	86,909,413
Amount due to Director	2,478,872,564	2,337,377,564
	<u>2,544,501,977</u>	<u>2,424,286,977</u>

Amount due to Director (MMK 2,478,872,564) represents the amount payable to U Win Aung (Managing Director) who paid the expenses of hotels construction.

19. Dividend Payable

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Opening balance	-	948,642,397
Adjustment to retained earnings	-	(948,642,397)
	<u>-</u>	<u>-</u>

In accordance with Myanmar Companies Law 2017, Division 14 - Dividend, Section 106 (C), the Group adjusted dividend payable to the retained earnings during the accounting period from 01 October 2021 to 31 March 2022.

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20. Long-Term Borrowings

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
<u>Long-term borrowings (USD 10.7 million)</u>		
Current portion	7,196,700,000	4,725,035,000
Non-current portion	15,273,300,000	14,299,565,000
	<u>22,470,000,000</u>	<u>19,024,600,000</u>

On 22 October 2016, its subsidiary – United International Group Limited entered into a loan facilities agreement with International Finance Corporation (IFC) for principal amount of USD 10.7 million with interest rate (Variable Interest Rate – sum of the Relevant Spread and LIBOR). According to Waiver letter No.7 on 14 June 2022, installment payments were rescheduled with agreement of International Finance Corporation (IFC).

21. Finance Lease Obligation

Details are shown as below:

	30-Sep-22	31-Mar-22
	MMK	MMK
Current liabilities	22,527,971	99,082,732
Non-current liabilities	1,326,676,297	1,271,892,171
	<u>1,349,204,268</u>	<u>1,370,974,903</u>

The future minimum lease payments are as follows;

	30-Sep-22	31-Mar-22
	MMK	MMK
Within one year	192,039,273	146,427,089
Later than one year but within five years	688,536,080	440,421,524
Later than five years	9,132,398,800	5,352,000,000
	<u>10,012,974,153</u>	<u>5,938,848,613</u>

Lease period and interest rate for finance lease obligation are as follows;

Description	Lessor	Lease Period	Interest Rate
Amata Resort & Spa- Ngapali	U Win Aung Amata International Co., Ltd.	58 Years	13%
Amata Garden Resort – Bagan	U Win Aung	60 years	13%
My Bagan Residence by Amata	U Win Aung	49 years	13%
Amata Garden Resort Inle Lake	Ministry of Environmental Conservation and Forestry	50 years	13%
My Hpa-an Residence by Amata	U Win Aung (Awinka Holding Co., Ltd.)	59 Years & 6 Months	13%
Amata Resort and Spa (Andaman)	U Win Aung (Amata International Co., Ltd.)	70 Years	13%

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Lease period in the calculation statement of finance lease obligation was not agreed with lease contract. Details are shown as below:

Description	Lease Period as per contract	Lease Period as per Calculation Statement
Land Lease – Amata Resort & Spa- Ngapali	15 years	58 Years
Land Lease – Amata Garden Resort – Bagan	15 years	60 Years
Land Lease – My Bagan Residence by Amata	15 years	49 Years
Land Lease – Amata Garden Resort Inle Lake	50 years	56 Years
Land Lease - My Hpa-an Residence by Amata	Not contracted	59 Years & 6 Months
Land Lease - Amata Resort and Spa (Andaman)	Not contracted	70 Years

Under United International Group Limited

“My Hpa-an Residence” is situated on the land plot at Survey No.5/54, O.SS.66 Tanmalauk-Gwin, Tawpon Village, Hpa-an Township, Hpa-an District, Kayin State and Permission for land use (Form-15) granted by Central Committee for the Management of Vacant, Fallow and Virgin Lands dated 19 March 2020, is under the name of Awinka Holding Company Limited (U Win Aung).

“Amata Resort and Spa (Andaman)” is situated on “Poni” island Myeik (Mergui) Archipelago area which is the 50 years (extendable 2 times for 10 years each) land lease agreement (dated 28 March 2016) between the Republic of the Union of Myanmar, Taninthayi Region Government (Lessor) and Amata International Company Limited (Lessee).

It has been expressly stated in the land used agreements of My Hpa-an Residence and Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others person or organization.

The Company’s management intention for the land is to be sub-leased to United International Group Limited from Awinka Holding Company Limited and Amata International Company Limited respectively. So, the Company is in process for applying the sub-leasing approval from the respective Government Authority (i.e., Central Committee for the Management of Vacant, Fallow and Virgin Lands and Republic of the Union of Myanmar, Taninthayi Region Government). The approval of sub-leasing from the respective Government Authority has not yet received at the time of this report.

During the previous accounting period ended 31 March 2022, My Hpa-an Residence and Amata Resort and Spa (Andaman) hotels are in operation, and land lease for these hotels amount **MMK 184,531,232 and MMK 464,415,528 were recorded in finance lease obligation as initial lease liability** respectively. However, **the Company have no land lease contracts with Awinka Holding Company Limited and Amata International Company Limited** for land lease to review approval for sub-leasing of land use, permission of construction, right and obligation of the Company, lease period, annual rental fees, etc. during the course of audit.

As a result of this, the interest expenses of hotels increased by MMK 41,984,869 for the period from 01 April 2022 to 30 September 2022 and MMK 167,980,525 for the period from and 01 October 2021 to 31 March 2022 respectively. (Notes 4 and 6).

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22. Operating Income – Room/Ballooning

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Room sales	803,656,064	1,187,137,161
Total	803,656,064	1,187,137,161

23. Operating Income – Food and Beverage

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Food sales	264,934,981	353,253,955
Beverage sales	70,630,102	111,415,478
Others	2,861,892	3,490,936
Total	338,426,975	468,160,369

24. Operating Income – Guest Laundry and Spa

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Guest laundry	2,817,642	2,802,409
SPA and souvenir	15,243,297	30,114,000
Total	18,060,939	32,916,409

25. Operating Income – Other Operating

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Revenue – Others	157,184	756,942
- Boat	2,972,331	2,799,295
- Mini bar	363,897	540,064
- Car transport	-	29,126
Others operating income	59,369,621	85,717,502
Total	62,863,033	89,842,929

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26. Operating Expenditure – Room/Ballooning

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
<u>Payroll and related expenses</u>		
Salaries and wages	66,883,124	73,635,037
Employee benefits	17,380,020	17,534,255
	84,263,144	91,169,292
<u>Other expenses</u>		
Pilot team expenses	-	19,362,333
Bank charges	200	122,085
Maint general	-	3,947,114
China, glass and silverware	217,300	308,900
Cleaning supplies	6,679,810	8,499,663
Guest supplies	25,018,554	38,381,673
Data processing expenses	654,000	1,631,158
Printing and stationery	1,022,542	1,486,847
Laundry	4,032,075	5,277,644
Linen	150,500	3,088,195
Uniform	481,375	30,000
Flowers and decoration	1,027,450	1,766,800
Postage, telephone, e-mail	7,115,595	12,512,588
Motor vehicle expenses	17,245,824	20,194,431
Travelling	2,395,000	671,000
Pest control	8,501,800	8,129,190
License and tax	4,013,128	8,032,352
Complimentary / entertainment	830,986	3,742,246
Commission	1,989,992	1,127,350
Transportation and labor	2,801,884	3,100,989
Operation utensils	704,350	1,426,350
Miscellaneous	573,800	545,500
Service money	20,951,565	32,736,049
	106,407,730	176,120,457
Total	190,670,874	267,289,749

27. Operating Expenditure – Food and Beverage

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
<u>Cost of sales</u>		
Food cost	136,970,605	148,430,528
Beverage cost	21,711,342	26,758,491
	158,681,947	175,189,019

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<u>Payroll and related expenses</u>		
Salaries and wages	33,662,746	42,051,929
Employee benefits	8,931,239	9,895,388
	42,593,985	51,947,317
<u>Other expenses</u>		
China, glass and silverware	409,200	329,157
Cleaning supplies	3,125,050	3,921,570
Guest supplies	3,652,050	4,211,158
Data processing expenses.	187,500	119,700
Printing and stationery	1,141,682	1,653,024
Laundry	-	50,289
Linen	143,000	521,600
Uniform	163,125	32,500
Flowers and decoration	85,000	723,200
Postage, telephone, e-mail	5,000	89,000
Transportation and labor	6,382,300	5,395,355
Travelling for F&B Dept	882,000	491,500
License and tax	805,000	1,675,000
Complimentary / entertainment	1,989,241	5,734,620
Operation utensils	2,946,790	3,955,300
Kitchen utensils	242,500	617,550
Spoilage and loss	1,323,729	1,076,299
Music and royalties	-	250,000
Kitchen fuel	7,295,686	10,003,730
Miscellaneous	110,000	323,580
Service money	12,664,003	19,631,934
	43,552,856	60,806,066
Total	244,828,788	287,942,402

28. Operating Expenditure – Guest Laundry and Spa

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
<u>Payroll and Related Expenses</u>		
Guest Laundry	98,971	-
SPA and souvenir cost	3,765,908	5,524,288
	3,864,879	5,524,288
<u>Other expenses</u>		
Guest laundry	10,000	308,850
SPA and souvenir cost	2,512,563	4,533,902
	2,522,563	4,842,752
Total	6,387,442	10,367,040

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29. Operating Expenditure – Other Operating

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Mini bar	128,309	203,538
Boat expenses	-	30,000
Bicycle expense	-	18,000
Others	5,220,300	2,598,383
Total	5,348,609	2,849,921

30. Other Income

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Interest Income	523,483	914,132
Other Income	27,090,571	240,824
Total	27,614,054	1,154,956

During this accounting period, its subsidiary – United International Group Limited received cash discount from a travel and tour agent (deposit received) (USD 4,582.45; Equi: Kyats 8,477,532.50) and it was recorded under other income.

31. Sales and Marketing

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
<u>Payroll and related expenses</u>		
Salaries and wages	17,700,103	18,645,000
Employee benefits	748,450	81,000
	18,448,553	18,726,000
<u>Other expenses</u>		
Printing and stationery	132,300	3,000
Data Processing	334,000	-
Postage, telephone, e-mail	219,450	274,000
Marketing promotion	1,500,000	40,000
Advertising	10,740,015	(705,000)
Entertainment	358,250	1,280
Travelling	1,285,000	659,500
Miscellaneous	-	229,720
	14,569,015	502,500
Total	33,017,568	19,228,500

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32. Administration and General

Details are shown as below:

	01-Apr-22 to 30-Sep-22	01-Oct-21 to 31-Mar-22
	MMK	MMK
<u>Payroll and related expenses</u>		
Salaries and wages	86,871,805	93,911,415
Employee benefits	15,467,214	13,186,350
	<u>102,339,019</u>	<u>107,097,765</u>
<u>Other expenses</u>		
Data processing expenses	461,195	916,044
Printing supplies	54,000	82,150
Printing and stationery	1,022,941	1,607,122
Laundry	-	7,428
Uniform	438,000	38,000
Postage, telephone, e-mail	1,470,617	1,215,300
Transportation and labour	4,911,520	5,154,806
Motor vehicle expenses	5,971,223	10,288,263
Cleaning and garbage expenses	2,680,350	3,427,150
Audit fees	18,500,000	7,847,735
Legal and consultant fees	4,500,000	4,364,000
Bank charges	2,936,702	5,256,675
Cash (overage)/shortage	(712)	68,699
Entertainment	1,818,372	3,250,600
Travelling	10,737,785	3,141,750
Licenses and tax	3,827,351	3,372,098
Insurance	17,362,281	24,509,805
Present and donation	170,000	500,000
Yangon expenses allocation	211,259,792	202,088,378
Medical expenses	397,700	816,575
Miscellaneous	7,084,173	4,409,390
AGM expenses	-	2,856,950
Pre-opening Expenses	3,568,593	6,199,253
Service money	18,771,979	23,638,797
Maintenance general	-	35,000
YSX expenses	610,000	2,006,700
CSR expenses	10,000,000	10,000,000
	<u>328,553,862</u>	<u>327,098,668</u>
Total	<u>430,892,881</u>	<u>434,196,433</u>

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Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
<u>Payroll and related expenses</u>		
Salaries and wages	22,644,770	23,934,516
Employee benefits	6,015,497	5,616,947
	<u>28,660,267</u>	<u>29,551,463</u>
<u>Other expenses</u>		
Engineering supplies	1,509,700	1,388,650
Printing and stationery	11,389	33,622
Uniform	260,500	-
Postage, telephone, e-mail	132,000	77,000
Transportation and labour	5,518,600	1,591,300
Maintenance	67,189,348	31,893,810
Travelling	1,236,000	-
Painting and renovation	14,533,850	11,198,034
Kitchen equipment	-	4,700
Land scarping	7,977,347	4,432,505
Swimming pool	6,716,608	10,248,170
Light bulb	1,731,100	3,390,450
Sound system	25,000	90,000
Plumbing and heating	-	181,250
Sewage and rubbish removal	1,864,000	80,000
Service money	4,935,587	7,131,300
Miscellaneous	276,300	1,460,531
	<u>113,917,329</u>	<u>73,201,322</u>
Total	<u>142,577,596</u>	<u>102,752,785</u>

34. Utility Cost

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Water	1,778,437	1,368,885
Diesel, petrol	108,897,223	63,272,125
Electricity	57,271,759	79,729,264
Total	<u>167,947,419</u>	<u>144,370,274</u>

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35. Exchange Rate Differential

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Exchange rate differential – realized	1,769,500	(57,380,074)
Exchange rate differential – unrealized	4,476,826,674	(1,878,988,994)
Total	<u>4,478,596,174</u>	<u>(1,936,369,068)</u>

36. Interest Expense

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Short term loan interest	2,400,000	2,411,250
IFC loan interest	783,954,264	917,113,350
Finance Lease Interest	88,548,775	89,694,958
Total	<u>874,903,039</u>	<u>1,009,219,558</u>

United International Group Limited - the interest expenses relating to finance lease obligation of My Hpa-an Residence and Amata Resort and Spa (Andaman) hotels, MMK 41,984,869 for the period from 01 April 2022 to 30 September 2022 MMK 41,985,816 for the period from 01 October 2021 to 31 March 2022 respectively were included in the finance lease interest.

37. Income Tax Expenses

Details are shown as below:

	01-Apr-22 to 30-Sep-22 MMK	01-Oct-21 to 31-Mar-22 MMK
Current tax	-	-
Corporate income tax over provision	-	(181,428,236)
Total	<u>-</u>	<u>(181,428,236)</u>

38. Impairment – Non-financial Assets

The carrying amounts of the Group's non-financial assets should be reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The Group did not review at the reporting date to determine whether there is any indication of impairment.

39. Financial Risk Management

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follow:

Foreign exchange risk

The Group may have foreign exchange loss for the translation of foreign exchange transactions, assets or liabilities which are denominated in foreign currencies.

Interest rate risk

The Group does not have any interest bearing assets or liabilities. Hence, the Group does not have any exposure to interest rate risk.

Liquidity and cash flow risks

The Group monitors and maintains a level of bank balances deemed adequate by the directors to finance the operation and mitigate the effects of fluctuation in cash flow.

Operational risk

Operational risk, which is inherent in all business activities, is the potential for financial loss, and business instability arising from failures in internal controls, operational process or the systems that support them.

The goal of operational risk management is to balance cost and risk within the constraints of the risk appetite of the Group and to be consistent with the prudent management required of an organization.

It is recognized that such risks can never be entirely eliminated and that the cost of controls in minimizing these risks may outweigh the potential benefits. Accordingly, the Group continues to invest in risk management and mitigation such as business continuity management and incident management. In reinforcement of the implementation of the Company's risk strategy, independent checks on risk issues are undertaken by the internal audit function.

Legal risk

Legal risk is the risk that the business activities of the Group have with unintended or unexpected legal consequences. It includes risk arising from:

- Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency;
- Actual or potential violations of law or regulation which may attract a civil or criminal fine or penalty;
- Failure to protect the Company's property; and
- The possibility of civil claims (including acts or other events, which may lead to litigation or other disputes).

The Company identifies and manages legal risk through effective use of its internal and external legal advisers.

Tax risk

Tax risk is the risk of loss or increased charges associated with changes in, or errors in the interpretation of, taxation rates or law.

40. Comparative Information

Certain figures of the period from 01 October 2021 to 31 March 2022 were classified and shown in the financial statements to facilitate comparison.

41. Authorisation of Financial Statements

The consolidated financial statements for the period from 01 April 2022 to 30 September 2022 were authorized by the Board of Directors for issue.